Washington, DC – With consumer credit card debt approaching the $1 trillion mark, U.S. Rep. John Hall (D-Dover) today voted to bring common sense reform and consumer protections to America's financial system by helping pass the Credit Cardholders' Bill of Rights (H.R.627). The Credit Cardholders' Bill of Rights, which Congressman John Hall is a co-sponsor of, will end the unfair practices of the credit card industry and protect consumers from the abusive tactics that continue to drive so many Americans deeper and deeper into debt. The legislation passed by a vote of 357 to 70. It is expected to pass the Senate and be signed into law by the President.

"The Credit Cardholders' Bill of Rights will level the playing field for consumers by ending excessive credit card fees, sky-high interest rates, rate hikes at any time and for any reason and unfair, incomprehensible agreements that credit card companies revise at will," stated Congressman John Hall. "When so many American families are struggling to make ends meet, consumers who play by the rules deserve to be treated fairly by their credit card companies."

Consumer credit card debt is now approaching $1 trillion—double the amount held in 1996. The credit card industry has found new ways to make profits by exploiting loopholes and taking advantage of little regulation and poor oversight. In 2008, credit-card issuers imposed $19 billion in penalty fees on families with credit cards, and this year card companies will break all records for late fees, over-limit charges, and other penalties, pulling in more than $20.5 billion.

"The Credit Cardholders' Bill of Rights gives Americans the information and rights they need to make decisions about their financial lives," said Hall. "Today Congress is siding with the American people, over a credit card industry that has profited through unfair, abusive practices."

The Credit Cardholders' Bill of Rights will protect American credit cardholders with the following common sense reforms to our financial system:

- Prevents card companies from unfairly increasing interest rates on existing card balances – retroactive increases are permitted only if a cardholder is more than 30 days late, if a promotional rate expires, if the rate adjusts as part of a variable rate, or if the cardholder fails to comply with a workout agreement.
- Requires card companies to give 45 days notice of all interest rate increases or significant contract changes (e.g. fees).
- Ends unfair "double cycle" billing – card companies couldn't charge interest on debt consumers have already paid on time.
- If a cardholder pays on time and in full, the bill prevents card companies from piling additional fees on balances consisting solely of left-over interest.
- Prohibits card companies from charging a fee when customers pay their bill.
- Many companies credit payments to a cardholder's lowest interest rate balances first, making it impossible for the consumer to pay off high-rate debt. The bill bans this practice, requiring payments made in excess of the minimum to be allocated proportionally or to the balance with the highest interest rate.
- Requires card companies to mail billing statements 21 calendar days before the due date (up from the current 14 days), and to credit as "on time" payments made before 5 p.m. local time on the due date.
- Extends due date to next business day for mailed payments when the due date falls on a day a card company does not accept or receive mail (i.e. Sundays and holidays).

- Prohibits card companies from knowingly issuing cards to individuals under 18 who are not emancipated.

-30-